

*“The English version of the General Terms and Conditions of Purchase is provided for convenience only. In the event of any discrepancy or inconsistency, the French version shall prevail and be binding.”*

### 1. Scope

These General Terms and Conditions of Purchase (hereinafter the “GTC”) shall apply to all Purchase Orders (“POs”) issued by SAB Industries (“SAB”), as soon as they are accepted under the conditions set forth in Article 3 “Order”. The mere execution, in whole or in part, of any order shall constitute full and unreserved acceptance of both these GTC and any specific conditions issued by SAB. No modification to these GTC shall be valid unless expressly agreed upon in writing by SAB.

### 2. Contractual Documents

The contract is composed of the following documents, ranked in descending order of priority:

- (I) the Purchase Order;
- (II) any Special Conditions (SC);
- (III) these GTC.

The contract constitutes the entire agreement between the parties and supersedes any prior express or implied, written or oral agreement. Any modification to the contract shall only be binding if formalized in a written agreement signed by duly authorized representatives of both parties. Any request to modify the contract by either party shall in no event entitle the Supplier to delay or suspend deliveries.

### 3. Order

All purchases made by SAB shall be subject to a written PO, which shall include the following: item description, quantity, price, strict delivery deadline, payment terms, and signature by an authorized person. The Supplier must acknowledge receipt of the PO within five (5) business days. Failure to respond within this timeframe shall be deemed full acceptance of these GTC. SAB may cancel any PO prior to receipt of the Supplier's acknowledgment, without prior notice or indemnity. A PO executed in whole or in part without prior refusal by SAB shall be deemed irrevocably accepted in its entirety. Any contrary terms or counter-offers stated in the Supplier's acknowledgment shall be deemed null and void unless explicitly accepted in writing by SAB. For aerospace-related orders, all specific customer requirements shall be communicated along with the PO.

### 4. Production Variations

Quantities specified in open POs are indicative and do not constitute a firm commitment by SAB. Binding quantities and delivery dates shall be defined in separate delivery schedules.

If the end customer requires an increase in production volumes, the Supplier shall meet SAB's additional needs at the contractually agreed price, without surcharge.

Conversely, if the customer imposes a reduction or production stop, SAB may:

- reduce ordered volumes accordingly, without surcharge;
- or terminate the PO with immediate effect upon written notice, without liability or compensation.

The Supplier shall organize its production to adapt to such changes at its own expense.

### 5. Assignment and Subcontracting

Orders may not be transferred or subcontracted without the prior written consent of SAB.

### 6. Duty of Information and Advice

As a professional in its field, the Supplier has a duty to inform and advise SAB regardless of SAB's internal expertise. The Supplier shall:

- Provide all necessary information for proper storage and use of the Products;
- Ensure that specifications are appropriate;
- Notify SAB immediately of any risk of counterfeiting or quality issues;



- Promote ethical behavior and environmental awareness (CSR) within its organization;
- Guarantee that the supplied components do not contain conflict minerals (tin, tantalum, tungsten, gold) or ensure that their origin is compliant with the Conflict-Free Sourcing Initiative (CFSI). <http://www.conflictreesourcing.org/conflict-free-smelter-program/exports/cmrt-export/>

### **7. Initial Samples for Approval**

For any new or modified part, the Supplier must provide a representative batch of initial samples conforming to the PO, drawings and specifications. Serial production shall only proceed upon written approval of the samples by SAB.

### **8. Delivery Deadlines and Conditions**

Delivery deadlines are firm and essential to the contract. Deliveries shall be made DDP (Delivered Duty Paid) as per INCOTERMS 2020, at the indicated dates. Any issue that may impact the agreed deadline must be reported immediately to SAB. Ordered quantities must be delivered fully and exclusively on the set dates. Any excess or unsolicited shipment may be returned at the Supplier's expense.

The Supplier shall be fully liable for late deliveries and all related damages claimed by SAB, including but not limited to:

- Late penalty: €150 per calendar day of delay;
- Order cancellation at the Supplier's expense;
- Replacement by alternative supplier at the Supplier's cost;
- Reimbursement of penalties charged to SAB by its customers.

In case of delay, the Supplier shall use express delivery at its own expense and cover any additional transport or downtime costs incurred by SAB or its clients.

### **9. Packaging and Shipping**

The Supplier is responsible for ensuring proper packaging adapted to the nature of the goods and means of transportation, preventing any damage during transit or storage. Packaging and labelling must comply with legal and contractual specifications.

Each delivery must be accompanied by a delivery note detailing SAB's PO number, shipment method, item code, description, quantity, and package breakdown. Deliveries to third-party sites must include the original delivery note to the consignee and a copy to SAB's Purchasing Department. A Certificate of Conformity must be attached when required.

### **10. Inspection and Acceptance**

Goods are subject to inspection and acceptance upon receipt and during production. Any visible defect must be reported promptly. Payment or lack of objection does not constitute final acceptance or waiver of any future claim. SAB reserves the right to reject non-compliant or excess goods at the Supplier's expense. Replacements must be delivered within 48 hours.

### **11. Pricing**

Product pricing shall follow the Supplier's price list as previously communicated. Prices cannot be modified without SAB's prior written agreement. SAB reserves the right to offset any sums owed to the Supplier with any amount due to SAB, including penalties and quality claims.

### **12. Invoicing and Payment Terms**

Invoices must indicate the PO number, delivery note, item reference, description, and quantity. Unless otherwise agreed, payment terms are 45 days end of month or 60 days net. Invoices received after the 5th of the following month will be deferred by one month. Late payment penalties shall not exceed three times the legal interest rate.

### **13. Quality and Compliance**



The Supplier shall maintain a quality management system and is responsible for the conformity of delivered products to technical specifications. The Supplier shall use approved subcontractors and prevent counterfeit risks. No technical modification shall be made without SAB's written consent, especially changes in tools, processes, or production sites.

SAB aims for zero defects. In case of quality incidents, the Supplier shall bear sorting and associated costs. If the incident occurs at SAB's client, the Supplier shall also cover replacement and transport costs. In case of quality or logistics alerts, SAB will charge a fixed fee of €150 in addition to actual costs.

#### **14. Warranty**

The Supplier warrants that the Products are free from any apparent or latent defects, including design flaws, material defects, or manufacturing faults. The Supplier shall notify SAB without delay of any discovered defect and shall be liable for the performance of its subcontractors. The Supplier agrees to indemnify SAB against all material or immaterial, direct or indirect damages. The Supplier shall bear the cost of repair or replacement of defective parts, including labor, logistics, and related expenses.

#### **15. Tooling and Drawings**

All tools, samples, models, or gauges provided or paid for by SAB remain the sole and inalienable property of SAB. The Supplier is responsible for their maintenance and storage. Tools may not be transferred, altered, or destroyed without prior written consent. The Supplier assumes all risks and must insure these items against damage, theft, or loss for their full value.

#### **16. Reservations**

SAB reserves the right, at its sole discretion, in the event that any provision of these General Purchasing Conditions or any accepted specific conditions deviating therefrom is not accepted or not complied with by the Supplier, or in case of any breach of these order conditions — particularly in the event of repeated delivery delays or recurring product quality defects — and without prejudice to its right to claim damages, to:

- Cancel its order, in whole or in part, apply any applicable penalties, or compel performance by means of a registered letter with acknowledgment of receipt;
- Refuse delivery or return the delivered goods at the Supplier's expense, risk, and liability;
- Store the goods for a maximum of 30 days after a notice of availability has been sent to the Supplier; and, beyond that period, dispose of the goods without any recourse from the Supplier.

#### **17. Intellectual Property and Confidentiality**

The Supplier is required to keep confidential all information provided to it. It undertakes to take all necessary measures to prevent the disclosure of such information. All drawings, documents, plans, models, and samples communicated to the Supplier or brought to its attention remain the exclusive property of SAB.

Any drawings, documents, plans, models, and samples provided to the Supplier on a confidential basis for the execution of an order, or made known to the Supplier under any circumstances, remain the exclusive property of SAB.

The Supplier undertakes never to disclose to any third party any information, specifications, drawings, goods, or manufacturing details related to SAB's inquiries and orders. Any unauthorized use by third parties constitutes an infringement and may result in legal action. Upon termination of the contractual relationship with SAB, the Supplier shall return all such items in its possession.

The Supplier shall indemnify and hold SAB harmless against any claims that may be made anywhere in the world by third parties in relation to the materials or items supplied, on grounds of patents, licenses, trademarks, or design rights pertaining to the products it delivers to us. In the event of legal proceedings based on such claims, the Supplier shall immediately substitute itself for SAB and assume the defense in SAB's place, whether the proceedings are well-founded or not. It is expressly agreed that any costs, legal fees, or even damages paid by SAB as a result of a judgment shall be fully reimbursed by the Supplier.

#### **18. Compliance with Labor Laws**

The Supplier certifies that the goods supplied comply with labor legislation, including prohibitions on child labor and undeclared work. This obligation remains in force for the entire duration of the commercial relationship with SAB.

### 19. Effects of Contract Termination or Expiry

Clauses which, by nature, are intended to survive termination shall remain in effect. SAB shall not be liable for loss of profit, engineering costs, or unamortized expenses. Upon termination, the Supplier shall communicate available stock and transfer to SAB any outstanding raw materials or finished products.

### 20. Stocks

In the event of termination of the Contract, the Supplier undertakes, at SAB's first request, to disclose its inventory and transfer to our Company any outstanding inventory of raw materials and/or finished or semi-finished products and/or safety stock it uses to perform the Contract.

SAB undertakes to take back the firm quantities of current orders or finished products, the raw material corresponding to a maximum of one month of forecast requirements, which it holds on the effective date of termination.

Stocks on consignment at SAB will be taken back, provided they comply with our delivery schedules.

### 21. Subcontracted Operations

For subcontracted operations, SAB accepts no more than 0.1% defect rate. In case of loss or irreversible damage to entrusted parts, the Supplier shall compensate SAB based on the full sale value of the part.

### 22. Access to Information

Representatives of SAB, its clients, or regulatory authorities shall have unrestricted access to the Supplier's facilities and documentation to monitor order progress and compliance with quality standards.

### 23. Archiving

Documents specific to the manufacture or subcontracting of SAB components must be archived as follows:

- Automotive: minimum 10 years
- Aerospace: minimum 30 years
- Other sectors: minimum 5 years

These durations may be adjusted based on project lifecycle. SAB will notify the Supplier in such cases.

### 24. Governing Law and Jurisdiction

The parties shall attempt amicable resolution of disputes. Failing which, exclusive jurisdiction is granted to the Commercial Court of EVREUX, France. Place of delivery or payment shall not affect this jurisdiction clause. French law shall apply exclusively, excluding the 1980 Vienna Convention on Contracts for the International Sale of Goods.

**“The English version of the General Terms and Conditions of Purchase is provided for convenience only. In the event of any discrepancy or inconsistency, the French version shall prevail and be binding.”**

